

FISCAL NOTE

SB 2620 - HB 2716

February 5, 2000

SUMMARY OF BILL: Makes state surplus motor vehicles and forfeited vehicles, prior to sale or other disposition of vehicle, available without cost to the Commissioner of Human Services for use by Families First participants.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$2,000,000

Increase State Expenditures - Exceeds \$100,000

Estimate based on the following:

The current fleet of passenger vehicles used by the state is comprised primarily of the Ford Taurus. The Motor Vehicle Management Division (MVM) in the Department of General Services estimates an average of \$2,870 it will receive for each vehicle when sold as surplus. If at least 75% of these vehicles were claimed by the Department of Human Services, this would represent an annual loss of revenues of approximately \$1,875,000.

Vehicles seized under the DUI/DOR program are stored at the current contractor's facility until sold. The amount received each month from the sale of these vehicles is credited toward the storage bill. Since many vehicles must be held for months prior to release, the storage bill may approximate \$60,000 per month. If at least 75% of these vehicles were claimed by the Department of Human Services, it would represent an estimated \$375,000 loss to the Department of General Services.

In addition, the Property Utilization Division earns 15% of anything sold which exceeds \$350 in value. In FY 98-99, sales totaled \$2,487,493. Property Utilization retained \$479,444 and \$2,008,049 was returned to MVM and other departments.

Further, it is estimated that state expenditures will increase in the Department of Human Services for: (1) the development of rules governing the use of such vehicles by Families First participants; (2) for additional staff to oversee the operation, maintenance and distribution of a fleet of state vehicles for

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use by the Families First Program; (3) for liability insurance covering these vehicles and the drivers. Since these participants will be private citizens and not state employees, liability insurance costs are estimated to be significant. Therefore, it is estimated that the increase in state expenditures the Department of Human Services would exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director